

**Dartmouth College Office of Sponsored Projects
Guidelines for Compensation on Sponsored Projects**

Phase	Actions and Best Practices	Policies/Related Guidance
PREAWARD		
Establishing Compensation	<ul style="list-style-type: none"> • Faculty and staff of Dartmouth are appointed to perform a unified set of duties encompassing all forms of academic work including sponsored projects, teaching, administration, service, and clinical activity comprising 100% of their institutional activities. • Position duties and expectations are typically described at the time of initial appointment and modified as necessary by the department chair(s) and the faculty or staff member over the course of the appointment. • Depending upon the appointment/title, Faculty may have responsibilities for such activities as non-sponsored research, instruction, administration, service that would preclude their devoting 100% compensation to sponsored activities. 	<p>Consult with relevant Dean's Office for questions concerning faculty appointments. Guidance may be found at the resources below:</p> <ul style="list-style-type: none"> • Geisel School of Medicine policies and guidelines governing faculty affairs. • Faculty of Arts and Science Handbook. <p>Finance Center website has guidance on Employee Lifecycle including hiring information: https://www.dartmouth.edu/finance/employee-services/employee_lifecycle/index.php</p>
Proposing Compensation on Sponsored Awards	<p>To determine the appropriate amount of salary support to budget on a grant application:</p> <ul style="list-style-type: none"> • Reference and follow the sponsor's funding announcement and other relevant requirements, e.g. person months not salary amount. • Calculate salary support using: • Institutional base salary (IBS), reflective of the total appointment/overall compensation including responsibilities for teaching, research, extension, and service. • Proposed level of effort - an estimate of the work expended on a project relative to their appointment type (e.g. calendar year, academic year and/or summer term) calculated as percent of effort or calendar months. • Multiply proposed level of effort by IBS. In some cases, the amount of requested salary support may be less than this amount due to sponsor mandated salary limitations, required cost sharing or otherwise stipulations in the funding announcement. • In no event should the requested salary support exceed the amount determined by multiplying the proposed level of effort by institutional base salary. 	<p>Institutional Base Salary (IBS) is defined as: <i>The total guaranteed annual compensation an Individual receives from Dartmouth College, whether the Individual's time is spent on research, teaching, or other activities. The IBS shall be used to compute salaries and wages charged to sponsored projects unless sponsored policies further limit salary and wage charges. IBS includes compensation for instruction, public service, research, and/or other activities. Individuals who work continuously as Deans, Department Chairs, or Center Directors shall include supplemental compensation that they receive for serving in these roles as a part of the IBS. IBS excludes fringe benefit payments; reimbursed expenses; temporary, supplemental compensation for incidental work; income earned outside of duties; and any portion of compensation deemed to be at-risk.</i></p> <p>Reference specific division guidance as applicable. For example:</p> <p>Faculty of Arts and Sciences Handbook regarding Faculty Compensation, Arrangements for Sponsored Support and other relevant sections: https://faculty.dartmouth.edu/dean/governance-service/faculty-handbook</p>

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SPONSOR MANDATED SALARY CAPS		
Special Reminder - Salary Caps	Some sponsors place limits on the rate of compensation that can be used to budget salary support. If the sponsor imposes a salary cap, the proposal budget for any personnel whose salary exceeds that cap cannot exceed the capped rate multiplied by their level of effort. If the proposal requires a detailed budget, either the sponsor's salary cap or the individual's institution base salary may be specified as the base salary, but in all cases the requested salary should reflect the sponsor's salary cap. Salary in excess of the sponsor's salary cap must be supported by institutional funds for the effort devoted to the project. This "above the cap" salary is not considered cost sharing but the excess above the cap should be accounted for in a separate GL string.	Link to NIH salary cap website: https://grants.nih.gov/grants/policy/salcap_summary.htm
Special Reminder NIH K/Career Awards	In addition to salary caps, some types of awards, may impose additional limits on the amount of salary that may be charged to the sponsor. Some career development awards (e.g. NIH K awards) fall into this category. If an investigator's IBS is greater than the salary limitation, the institution must contribute the difference between the amount that can be charged to the project and the actual salary that the investigator receives for the commensurate level of compensation on the K award. Also note that the sponsor may specify allowable sources of funding for required supplements.	Refer to funding announcement and specific sponsor guidelines.
Special Reminder NSF	NSF Guidance on budgeting salary as of 2019: <i>NSF regards research as one of the normal functions of faculty members at institutions of higher education. Compensation for time normally spent on research within the term of appointment is deemed to be included within the faculty member's regular organizational salary.</i> <i>As a general policy, NSF limits the salary compensation requested in the proposal budget for senior personnel to no more than two months of their regular salary in any one year. This limit includes salary compensation received from all NSF-funded grants.</i>	Reference the NSF Proposal & Award Policies & Procedures Guide (PAPPG).
POSTAWARD		
Distributing Compensation on Sponsored Awards	Salary should be charged to a sponsored project by determining the amount of the faculty or staff member's activities devoted to the project and charging no more than that commensurate amount of the individual's IBS to the sponsored project. Salary distribution must also account for any sponsored mandated salary cap. Sponsors expect that Dartmouth will charge salary to their project for an individual's compensation at the same rate at which Dartmouth charges salary for the individual's other activities. It is each faculty member's responsibility to be aware of his/her level of activity and to communicate any significant changes in the level to his/her respective business office to ensure that labor distributions are reviewed and updated, if appropriate, on a timely basis.	Finance Center website has guidance on Employee Lifecycle including process for payroll authorizations, changes to distribution and wage transfers: https://www.dartmouth.edu/finance/employee-services/employee_lifecycle/index.php
Best Practices: Monitoring, Reconciliation, and Forecasting	As specified in the Dartmouth Financial Review Guidelines, the department grant manager should review all charges on a monthly basis, and will be asked to confirm with PI's on 'after-the-fact review' of interim charges made to Federal awards based on budget estimates as required by 2 CFR 200.430(i)(1)(viii)(C). Anticipating changes in support for PI's and their research teams will allow the PI to manage their resources, department grant managers should work with the PI to identify sources of support for the PI and the PI's research team over, at minimum, a 12 month time frame, identifying potential shortfalls and the impact of new funding, if awarded. This should be reviewed regularly with the PI so that changes to labor distributions can be made on a timely basis.	Link to financial review guidelines: https://www.dartmouth.edu/finance/financial-review-guidelines.html Suggested monitoring reports: LD030-Actuals Report OGA010-OGA Transaction Details Follow OSP guidelines Reallocation of Charges and Cost Transfer Policy.

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<p>Best Practices: Annual Award Management and/or Final Award Closeout</p>	<p>Progress Reports: In addition to ongoing review of labor charges, many sponsors require an annual progress report. Depending upon sponsor requirements, PIs may be asked to report past, current or future commitments of effort by individual. Progress reports are another opportunity to review and confirm actual or projected distributions with the department grant manager.</p> <p>On an annual basis, the PI will be asked to confirm the ‘after-the-fact review’ of interim charges made to Federal awards as required by 2 CFR 200.430(i)(1)(viii)(C). Procedures to be set forth by the Office of Sponsored Projects.</p>	<p>Refer to Sponsor guidelines and forms for annual progress reports.</p> <p>Refer to OSP procedures for annual labor verification.</p>
<p>Special Reminder: External Consulting</p>	<p>Dartmouth faculty and staff engage in consulting for entities outside the University. Compensation on such consulting is in addition to their institutional responsibilities and therefore should NOT be considered in calculating total UG payroll confirmation. Consulting arrangements are governed by the Faculty Handbook.</p>	
<p>Reminder: Allowable and Unallowable</p>	<p>Activities that CAN be allocated to a sponsored project include: Directing or participating in any aspect of the research related to the specific project. For example, providing research patient care, writing a progress report for the project, holding a meeting with lab staff to discuss the specific research project and many various activities contributing and intimately related to work under the agreement.</p> <p>Activities that CANNOT be allocated to sponsored include activities clearly unrelated to the project. Examples include: Proposal-writing, except for non-competing continuations (progress reports); administration, including service as a department chair or dean, instruction clearly unrelated to research projects, office hours, counseling for students, and mentoring graduate students, clinical activity, except patient care for an IRB-approved sponsored research activity, service on an IRB, IACUC, selection committee, or other similar group, fundraising and lobbying.</p>	<p>Reference sponsor terms and conditions and proposal/grant application.</p> <p>Consult OSP as needed.</p>
<p>Requesting Approval to Reduce Effort or Rebudgeting on Federal Awards</p>	<ul style="list-style-type: none"> • A 25% (or greater) reduction in effort may constitute a significant change in work activity. • Prior approval of significant change is required for principal investigator/project director or key personnel who are listed on the Notice of Award (NOA). • The estimate of effort at the time of proposal or award is considered the threshold against which the magnitude of a potential change is measured, unless the sponsor is otherwise notified and approves the changes. • Note: Salary charged to the project may never exceed time devoted. A reduction to the salary charged to the project can reflect a reduction in effort or could indicate no change in effort, just a reduction to the amount of salary directly charged to the project. In general, sponsor approval is not required solely for reductions in salary charged where effort is maintained. 	<p>Reference Sponsor guidance on post-award changes requiring prior approval.</p>